Press Release
Investor Information

STRABAG SOCIETAS EUROPAEA

STRABAG SE intends to confirm EBIT margin of at least 3 % as sustainable

Contact

STRABAG SE
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- **Order backlog at end of 2016 at record high of € 14.8 billion (+13 %)**
- **Output volume in 2016 down 6 % to € 13.5 billion**
- **2017 forecast: output volume to grow to at least € 14.0 billion, EBIT margin ≥ 3 %**

STRABAG SE	**2016**	**2015**	**% 2015-2016**
Output volume	13,491.03	14,289.76	-6%
Order backlog	14,815.79	13,134.58	13%
Employees	71,839	73,315	-2%

NORTH + WEST	**2016**	**2015**	**% 2015-2016**
Output volume	6,174.91	6,368.40	-3%
Order backlog	7,030.41	5,397.45	30%
Employees	22,233	22,421	-1%

SOUTH + EAST	**2016**	**2015**	**% 2015-2016**
Output volume	4,000.98	4,535.13	-12%
Order backlog	3,482.61	3,477.45	0%
Employees	17,758	18,043	-2%

INTERNATIONAL + SPECIAL DIVISIONS	**2016**	**2015**	**% 2015-2016**
Output volume	3,154.89	3,250.11	-3%
Order backlog	4,294.97	4,253.23	1%
Employees	26,027	27,077	-4%

OTHER	**2016**	**2015**	**% 2015-2016**
Output volume	160.25	136.12	18%
Order backlog	7.80	6.45	21%
Employees	5,821	5,774	1%

Vienna, 15 February 2017 The publicly listed European-based technology group for construction services STRABAG SE today announced its first figures for the 2016 financial year and issued an outlook for 2017. *“The record order backlog allows us to expect 2017 to be a dynamic financial year: The output volume should increase, and in terms of the EBIT margin we are again working toward at least 3 %. Numerous large building construction and transportation infrastructure orders in Germany, an at least stable business in Austria and in several Central and Eastern European countries, and the continued high demand for real estate project developments give us reason to start the year on a positive note,”* says Thomas Birtel, CEO of STRABAG SE.

Output volume
The STRABAG SE Group generated an output volume of € 13.5 billion in the 2016 financial year, a minus of 6 % over the previous year. While 2015 had seen very positive development in Slovakia, Poland and the Czech Republic, the output volume has now fallen back especially in these countries. One reason for the decline is the expiration of the EU Cohesion Fund regime at the end of 2015 and the fact that the new round of funding has not yet been used to the same degree by the eligible countries. The core market of Austria, in comparison, was characterised by increasing business activity. STRABAG also defended the exceptionally high level in Germany, the group's largest market by far.

Order backlog
Numerous new large orders in building construction and in transportation infrastructures in Germany helped push the order backlog in the country and in the group to a new record high of € 14.8 billion, a plus of 13 % versus the previous year. At the same time, growth in Chile, Slovakia, Hungary and Austria was balanced out by declines in Denmark, Russia and Romania.

Employees
The number of employees fell slightly by 2 % to 71,839. The declines were registered mainly among blue-collar staff in human-resource-intensive regions outside of Europe, though staff levels also decreased noticeably in Russia.

Outlook 2017
The record order backlog allows further positive development of the output volume to be expected in 2017: The Management Board of STRABAG SE expects a plus of at least € 14.0 billion (≥ +4 %). Growth should be seen in all three operating segments: North + West, South + East and International + Special Divisions.

STRABAG had previously issued a target of achieving a sustainable EBIT margin (EBIT/revenue) of 3 % starting in 2016. The efforts to further improve the risk management and to lower costs have already had a positive impact on earnings. The company therefore confirms that this target was in all probability reached in 2016 – even when adjusted for positive non-recurring items in this period. In the 2017 financial year, STRABAG is working to again confirm an EBIT margin of at least 3 %.

The output and earnings forecasts are based on the assumption of continued solid demand in building construction, civil engineering and transportation infrastructures in Germany. Positive earnings contributions are also expected again from the property and facility management entities and the real estate development business. While the output volume should rise slightly in Poland, in the Czech Republic and in the building construction business in Austria, STRABAG expects only stable demand in the Austrian transportation infrastructures segments and in Slovakia. Negative contributions, on the other hand, are again expected from the regional business in Switzerland.

Even without considering the capital expenditures following the acquisition of the minority interest of the German listed subsidiary STRABAG AG, Cologne – represented in the cash flow from financing –, the net capital expenditures should increase in 2017. The cash flow from investing should therefore come to rest at about € 450 million.

Additional figures and details about the 2016 financial year will be available from 7:30 a.m. (CEST) on 27 April 2017 at www.strabag.com.

STRABAG SE *is a European-based technology group for construction services, a leader in innovation and financial strength. Our services span all areas of the construction industry and cover the entire construction value chain. We create added value for our clients by our specialised entities integrating the most diverse services and assuming responsibility for them. We bring together people, materials and machinery at the right place and at the right time in order to realise even complex construction projects – on schedule, of the highest quality and at the best price. The hard work and dedication of our close to 72,000 employees allow us to generate an annual output volume of about € 14 billion. At the same time, a dense network of numerous subsidiaries in many European countries and, increasingly, on other continents is helping to expand our area of operation far beyond the borders of Austria and Germany. More information is available at www.strabag.com.*